

5/023/080

## ATLAS MINING COMPANY

and ATLAS FAUSETT CONTRACTING, a division of Atlas Mining Company

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RECEIVED

JUL 27 2004

DIV OF OIL GAS & MINING

July 15, 2004

State of Utah  
Division of Oil Gas and Mining  
1594 West North Temple Suite 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

Re: Project ID S230080

Please be advised that the Dragon Mine will start mining August, 2004 and we would like our project status to be changed from inactive to active.

Sincerely,

*Marqueta Martinez*  
Marqueta Martinez  
Administrative Manager



S / 023 / 0080

2/20/03

The Salt Lake Tribune BUSINESS

# Atlas Gets \$2 Million to Start Up Clay Production at Dragon Mine

BY MIKE GORRELL

THE SALT LAKE TRIBUNE

Atlas Mining Co. has secured \$2 million from an investor to begin production and sales of halloysite clay from the long-dormant Dragon Mine in Juab County.

The Osburn, Idaho-based company announced Tuesday that an institutional investor, IGI Capital Management LLC of Stamford, Conn., already has provided \$250,000 to bring the mine into production soon and will supply the remaining \$1.75 million "after completion of the due diligence process."

"This investment satisfies our needs for capital," said Atlas Mining President William Jacobson.

Juab County manager Mike Seely said he knew nothing of Atlas Mining's plans but noted "the county is eager to have development. The area around Eureka is depressed. They need whatever industry they can get that is legal and proper."

Added Eureka resident Joe Bernini, a former county commissioner: "I'm glad to hear there might be something stirring. There's no work around here and mining is down to nothing."

The Dragon Mine is south of once-booming

Eureka and north of Mammoth. Closed since 1977, its shaft is about 450 feet deep and was used originally to access clay deposits deeper underground. Company spokesman Wayne Jenkins said geologists estimate more than 1 million tons of halloysite clay may remain.

Established in 1924 as an exploration-stage natural resource and mining company, Atlas Mining's main interest is the Dragon Mine property. It also has mining and timber properties in Shoshone County, Idaho, and an underground mining contracting business, Jenkins said.

Halloysite clay is "exceptionally" white and is composed of fine particles conducive to use in making fine china and high-tech ceramics. It also has applications in oil drilling, Jenkins said, maintaining the Dragon Mine will be the only commercial producer of halloysite clay outside of New Zealand.

The Utah Division of Oil, Gas and Mining approved the company's request for a small-mine permit (less than 5 acres) in October, said Wayne Hedberg, permitting supervisor in DOGM's minerals reclamation program. The permit requires post-mining reclamation that leaves the site stable and capable of supporting vegetation.

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